



General Assembly

February Session, 2014

Raised Bill No. 407

LCO No. 2230



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

AN ACT CONCERNING A HOSPITAL QUALITY OF CARE INITIATIVE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Attainment score" means the percentage of quality of care goals
- 3 achieved by a hospital in a given year.
- 4 (2) "Commissioner" means the Commissioner of Social Services.
- 5 (3) "Department" means the Department of Social Services.
- 6 (4) "Healthcare Effectiveness Data and Information Set" or "HEDIS"
- 7 means a set of performance measures that rates a health plan's or
- 8 facility's performance in the areas including, but not limited to, (A)
- 9 quality of care, (B) access to care, and (C) member satisfaction with the
- 10 health plan, facility or doctors.
- 11 (5) "Hospital-Community Connection Program" or "HCCP" means a
- 12 department program in which a hospital participates in the
- 13 department's inpatient discharge care management program, intensive

14 care management program and performance measurements.

15 (6) "Hospital share formula" means the share of the maximum
16 funding a hospital may receive for improved quality of care indicators
17 as measured by multiplying the hospital's attainment score by its share
18 of expenditures and by the amount in the supplemental HCCP
19 payment pool.

20 (7) "Inpatient discharge care management program" means a
21 program established by the department in which the department
22 places dedicated staff in a hospital to collaborate with the hospital in
23 developing comprehensive discharge plans for safe and effective
24 transition of care from the hospital to alternate care settings, primarily
25 for patients who are at high risk for readmission.

26 (8) "Inpatient prospective payment system hospital market basket"
27 means the annual Medicare payment rate increase for hospital services
28 published annually in the Federal Register.

29 (9) "Intensive care management program" means a program
30 established by the department where a hospital collaborates with the
31 department's dedicated staff to promote continuity of care and
32 compliance with an established hospital discharge plan as the patient
33 transitions to alternate levels of care. The program primarily focuses
34 on patients who have two or more readmissions within thirty days of
35 their dates of discharge or a repeated history of leaving the hospital
36 against medical advice.

37 (10) "Plan all-cause readmission rates" means the percentage of
38 admitted patients that have a readmission within a specified period of
39 time.

40 (11) "Predictive modeling" means the use of technology to analyze
41 health data to predict a health outcome.

42 (12) "Quality of care indicators" means performance measurements

43 or participation in programs that include, but are not limited to: (A)
44 Participation in the intensive care management program and inpatient
45 discharge care management program; (B) a reduction in the number of
46 hospital readmissions; and (C) improvements in the management of
47 chronic conditions such as asthma, diabetes, congestive heart failure
48 and chronic obstructive pulmonary disease, or COPD, as measured by
49 a reduction in the number of times patients suffering from these
50 diseases needed to be admitted to a hospital to treat their disease.

51 (13) "Supplemental HCCP payment pool" means state and federal
52 funds earmarked for hospitals that participate in the department's
53 HCCP program to enhance quality of care, including an annual state
54 appropriation equal to three per cent of the amount paid under the
55 state Medicaid program to hospitals for the most recently completed
56 year for which complete data is available.

57 (b) The Commissioner of Social Services, in consultation with the
58 Connecticut Hospital Association, shall establish a hospital
59 reimbursement system that provides financial incentives under the
60 state Medicaid program to hospitals that demonstrate improvement in
61 quality of care indicators. Not later than July 1, 2014, the department
62 and the Connecticut Hospital Association shall agree on (1) the content
63 and frequency of performance reporting, and (2) the form and
64 frequency of meetings to discuss and share best practices on
65 implementing the requirements of the quality of care program. The
66 department shall provide hospitals access to summary and Medicaid
67 program baseline and ongoing performance reports, predictive
68 modeling analytics and other data analytics.

69 (c) From July 1, 2014, to June 30, 2015, hospitals may earn financial
70 incentives for participating in (1) the inpatient discharge care
71 management program, (2) the intensive case management program, or
72 (3) a program to stabilize or reduce state-wide all-cause readmission
73 rates. Hospitals may earn up to one-third of the supplemental HCCP
74 payment pool total for participating in each program, apportioned

75 based on the hospital share formula.

76 (d) From July 1, 2015, to June 30, 2017, hospitals may earn financial
77 incentives for participating in (1) the inpatient discharge care
78 management program, (2) the intensive care management program or
79 programs to stabilize or reduce (3) all-cause readmissions, (4) COPD
80 admissions, (5) chronic heart failure admissions, or (6) adult asthma
81 admissions. Hospitals may earn up to one-sixth of the supplemental
82 HCCP payment pool total for participating in each program,
83 apportioned based on the hospital share formula.

84 (e) On October 1, 2014, and annually thereafter, the commissioner
85 shall update hospital payment rates established pursuant to section
86 17b-239 of the general statutes by utilizing the inpatient prospective
87 payment system hospital market basket. To be eligible for the full
88 amount of the update, a hospital shall provide timely emergency
89 department and inpatient admission data as well as HEDIS reporting
90 data, in a manner and frequency as determined jointly by the
91 department and the Connecticut Hospital Association. The
92 commissioner shall update by the inpatient prospective payment
93 system market basket less two percentage points payments to a
94 hospital that does not provide (1) timely emergency department data,
95 (2) inpatient admission data, and (3) HEDIS data.

96 Sec. 2. (*Effective July 1, 2014*) There is established an account to be
97 known as the "Supplemental HCCP payment pool account", which
98 shall be a separate, nonlapsing account within the Department of
99 Social Services. The account shall contain an annual appropriation
100 equal to three per cent of the amount paid to hospitals for the most
101 recently completed year for which complete data is available. Moneys
102 in the account shall be expended by the Department of Social Services
103 for the purposes of improving quality of care at hospitals.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2014</i>	New section

Statement of Purpose:

To improve health outcomes for Medicaid recipients who are hospitalized and to save state Medicaid funding on unnecessary emergency room visits and hospital admissions and readmissions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]